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FILED IN THE
U.S. DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

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JAMES R. LARGEN, CLERK
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UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WASHINGTON

UNITED STATES OF AMERICA,
Plaintiff,

vs.

SHANE FAST and
SKYLER HAMM,
Defendants.

CR-11-6089-LRS
INDICTMENT

Vio: 18 U.S.C. § 371;
41 U.S.C. §§ 51-54
Conspiracy to Violate the
Anti-Kickback Act
(Count 1)

Vio: 41 U.S.C. §§ 51-54
Violation of the Anti-
Kickback Act (Counts 2-8)

Vio: 18 U.S.C. § 1341
Mail Fraud (Count 9)

The Grand Jury Charges:

GENERAL ALLEGATIONS

At all times material to this Indictment, unless otherwise specified:

1. The United States Department of Energy (Department) managed an environmental cleanup of nuclear waste on federal land in Richland, Washington, known as the Hanford Nuclear Site (Hanford).
2. Between about December 1996 and September 30, 2009, Fluor Hanford, Inc. (Fluor) was one of the prime contractors responsible for the cleanup of Hanford, under contract No. DE-AC06-96RL1320 with the Department (the Fluor prime contract).
3. Under the Fluor prime contract, Fluor employed material coordinators to make purchases of supplies and materials for use on the prime contract, using

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1 government-reimbursed purchase cards (called "P-Cards").

2 4. A P-Card is a Visa credit card, issued by JP Chase Morgan Bank, which is
3 used to purchase materials for certain entities contracting with the Department.
4 Fluor paid its P-Card bills monthly, using a Department-funded line of credit.

5 5. SHANE FAST owned and operated a company known as Fast Pipe and
6 Supply, Inc. (Fast Pipe) located in Pasco, Washington, in the Eastern District of
7 Washington. Fast Pipe was incorporated in Washington State on September 20,
8 2005. Fast Pipe provides industrial supplies and is a merchant wholesaler. Fast
9 Pipe functioned as a reseller that did not manufacture any products and had a
10 limited inventory of goods. Fast Pipe conducted a majority of its business through
11 the P-card system which allowed Fluor material coordinators the ability to make
12 purchases directly from Fast Pipe using Government-funded P-cards. Beginning in
13 October, 2005, Fast Pipe became a subcontractor of Fluor.

14 6. During the period of November 3, 2005 through October 10, 2008, SHANE
15 FAST paid approximately \$40,000 in kickbacks to 14 different material
16 coordinators employed by Fluor, in exchange for business with Fast Pipe under the
17 prime contract. SHANE FAST provided these kickbacks in the form of tickets to
18 sporting events, gift cards to department stores, personal checks.

19 7. In return for these kickbacks, during this time period, Fast Pipe received
20 over \$3.9 million in P-card orders from the 14 material coordinators of the prime
21 contractor.

22 8. SKYLER HAMM is a nephew of SHANE FAST who worked at Fast Pipe
23 as a delivery driver.

24
25 COUNT 1

26 Paragraphs 1-8 are incorporated into Count 1 by this reference.

27 From on or about December 2006, and continuing until on or about October
28 10, 2008, in the Eastern District of Washington, the defendants, SHANE FAST

1 and SKYLER HAMM and other individuals, both known and unknown, did
2 knowingly and intentionally combine, conspire, confederate and agree together
3 and with each other, to defraud the United States, and to commit and aid and abet
4 certain offenses against the United States, namely kickbacks, in violation of 18
5 U.S.C. § 371 and 41 U.S.C. §§51-54, all in violation of Title 18 U.S.C. § 371.

6
7 Purpose of the Conspiracy

8 9. It was the purpose of the conspiracy for defendant SHANE FAST to
9 unlawfully enrich himself by knowingly and willfully offering and paying
10 remuneration directly and indirectly, in cash and in other kind to Fluor's material
11 coordinators, in return for subcontracts and orders to defendant's business, Fast
12 Pipe, Inc., all payable under a prime contract that Fluor held with the United States
13 Department of Energy, thereby defrauding the United States by inflating the cost
14 of these subcontracts and purchases, and by impairing, obstructing, and defeating
15 the lawful functions of the United States Department of Energy.

16 Manner and Means of the Conspiracy

17 10. SHANE FAST induced the Fast Pipe customers (material coordinators
18 employed by Fluor) to give business to his company, and paid kickbacks to reward
19 these customers for providing business to Fast Pipe.

20 11. Defendants SHANE FAST and SKYLER HAMM devised a cover for the
21 violations of the Anti-Kickback Act whereby each would falsely represent to
22 federal investigators that the material coordinators had paid SHANE FAST for the
23 kickbacks provided as incentives to patronize Fast Pipe, when in fact, FAST
24 routinely refused to accept any payment offered by material coordinators.
25 SKYLER HAMM tried to cover up the kickbacks through such actions as advising
26 material coordinators to tell authorities, falsely, that the coordinators had refused
27 the kickbacks, or sent them back to SHANE FAST, or had paid cash for the
28 kickbacks.

Overt Acts

12. In furtherance of the conspiracy, and to effect the objects thereof, the defendants FAST and HAMM performed and caused to be performed the overt acts set forth in this Count of the Indictment, as well as the acts set forth below.

13. SHANE FAST provided kickbacks to Fluor Material Coordinator A.H. on at least four separate occasions, and in return received the following business for Fast Pipe:

- a. In December 2006, SHANE FAST provided Material Coordinator A.H. with a Macy's gift card with an approximate value of \$100 for the purpose of obtaining or rewarding P-Card purchases by Coordinator A.H. from Fast Pipe under the Fluor prime contract.
- b. In December of 2006, Material Coordinator A.H. purchased \$7,273.76 worth of materials from Fast Pipe under the prime contract.
- c. On or about August 20, 2007, SHANE FAST provided Material Coordinator A.H. with \$434.95 worth of sporting events tickets for the purpose of obtaining or rewarding P-Card purchases by Material Coordinator A.H. from Fast Pipe under the Fluor prime contract.
- d. In August of 2007 Material Coordinator A.H. purchased \$8,581.30 worth of materials from Fast Pipe.
- e. On or about September 19, 2007, SHANE FAST provided Material Coordinator A.H. with a parking pass to a Seattle Seahawks National Football League ("NFL") game worth \$33.25 for the purpose of obtaining or rewarding P-Card purchases by Material Coordinator A.H. from Fast Pipe under the Fluor prime contract.
- f. In September of 2007 Material Coordinator A.H. purchased \$11,176.57 worth of materials from Fast Pipe.
- g. On or about January 22, 2008, SHANE FAST provided Material Coordinator A.H. with a \$100 Macy's gift card and \$1,004.75 worth

1 of Seattle Seahawks NFL tickets for the purpose of obtaining or
2 rewarding P-Card purchases by Material Coordinator A.H. from Fast
3 Pipe under the Fluor prime contract.

4 h. In January of 2008, Material Coordinator A.H. purchased \$26,980.35
5 worth of materials from Fast Pipe.

6 14. SHANE FAST provided kickbacks to Fluor Material Coordinator P.H. and
7 in return received the following business for Fast Pipe:

8 a. In December, 2006, SHANE FAST provided Material Coordinator
9 P.H. with a Macy's gift card with an approximate value of \$100 for
10 the purpose of obtaining or rewarding P-Card purchases by Material
11 Coordinator P.H. from Fast Pipe under the Fluor prime contract.

12 B. In December of 2006, Material Coordinator P.H. purchased
13 \$26,845.23 worth of materials from Fast Pipe.

14 15. In furtherance of the above described conspiracy SHANE FAST provided
15 kickbacks to Fluor Material Coordinator M.S. on at least one occasion:

16 a. In December, 2006, SHANE FAST provided Material Coordinator
17 M.S. with an Outback Steakhouse gift card with an approximate value
18 of \$100 for the purpose of obtaining or rewarding P-Card purchases
19 by Material Coordinator M.S. from Fast Pipe.

20 b. In December of 2006, Material Coordinator M.S. purchased
21 \$3,197.73 worth of materials from Fast Pipe.

22 16. In furtherance of the above described conspiracy SHANE FAST provided
23 kickbacks to Fluor Material Coordinator A.W. on at least one occasion:

24 a. In December, 2006, SHANE FAST provided Material Coordinator
25 A.W. with a Macy's gift card with an approximate value of \$100 for
26 the purpose of obtaining or rewarding P-Card purchases by Material
27 Coordinator A.W. from Fast Pipe.

28 b. In December of 2006, Material Coordinator A.W. purchased

1 \$2,475.09 worth of materials from Fast Pipe.

2 17. In furtherance of the above described conspiracy SHANE FAST provided
3 kickbacks to Fluor Material Coordinator P.S. on at least one occasion:

4 a. In December, 2006, SHANE FAST provided Material Coordinator
5 P.S. with an Outback Steakhouse gift card with an approximate value
6 of \$100 for the purpose of obtaining or rewarding P-Card purchases
7 by Material Coordinator P.S. from Fast Pipe.

8 b. In December of 2006, Material Coordinator P.S. purchased \$529.72
9 worth of materials from Fast Pipe.

10 18. In furtherance of the above described conspiracy SHANE FAST provided
11 kickbacks to Fluor Material Coordinator D.J. on at least one occasion:

12 a. On or about July 20, 2007, SHANE FAST provided Material
13 Coordinator D.J. with an airline ticket with an approximate value of
14 \$606.60 for the purpose of obtaining or rewarding P-Card purchases
15 by Material Coordinator D.J. from Fast Pipe.

16 b. In July of 2007 Material Coordinator D.J. purchased \$5,343.28 worth
17 of materials from Fast Pipe.

18 19. In furtherance of the above described conspiracy SHANE FAST provided
19 the following kickbacks to Fluor Material Coordinator T.D.:

20 a. On June 13, 2007 a Fast Pipe and Supply check No. 3573 in the
21 amount of \$200 signed by Shane Fast made out to material
22 coordinator T.D.

23 b. On October 20, 2007 a Fast Pipe and Supply check No. 4442 in the
24 amount of \$300 signed by Shane Fast made out to material
25 coordinator T.D.

26 c. On August 14, 2008 a Fast Pipe and Supply check No. 6309 in the
27 amount of \$500 signed by Shane Fast made out to material
28 coordinator T.D.

20. In furtherance of the above described conspiracy SHANE FAST provided the following kickbacks to Fluor Material Coordinator A.H.:

- a. On August 20, 2007 Seattle Seahawks tickets worth \$434.95 given to material coordinator A.H.
- b. On January 22, 2008 \$100 Macy's gift card given to material coordinator A.H.
- c. January 22, 2008 Seattle Seahawks tickets worth \$1,004.75 provided to material coordinator A.H.

21. On or about October 22, 2008, SKYLER HAMM made statements to a material coordinator indicating that SHANE FAST would back up statements by the material coordinator to investigators that the material coordinator had paid for sporting event tickets provided by SHANE FAST when, in fact, no payment was made. HAMM further stated that another option was for the material coordinator to tell investigators that he had returned the tickets when, in fact, he had not. HAMM further stated that if the material coordinator claimed to have paid cash for the tickets, there would be no real way to disprove the payment had been made.

COUNTS 2-8

(Violation of the Anti-Kickback Act, 41 U.S.C. §§ 51-54)

On or about the following dates, in the Eastern District of Washington, SHANE FAST knowingly and willfully offered and paid money, fees, commissions, gifts, gratuities, things of value, and compensation, directly and indirectly, to materials coordinators employed by Fluor, a United States government prime contractor, for the purpose of improperly obtaining, and rewarding favorable treatment in connection with subcontracts for the purchase of goods and services under that prime contract as referenced in paragraphs 18-20 and as follows:

COUNT	DATE	DESCRIPTION OF KICKBACK	VALUE
2	June 13, 2007	Fast Pipe and Supply check No. 3573 signed by Shane Fast made out to material coordinator T.D.	\$200.00
3	October 20, 2007	Fast Pipe and Supply check No. 4442 signed by Shane Fast made out to material coordinator T.D.	\$300.00
4	August 14, 2008	Fast Pipe and Supply check No. 6309 signed by Shane Fast made out to material coordinator T.D.	\$500.00
5	August 20, 2007	Seattle Seahawks tickets given to material coordinator A.H.	\$434.95
6	January 22, 2008	\$100 Macy's gift card given to material coordinator A.H.	\$100
7	January 22, 2008	Seattle Seahawks tickets to material coordinator A.H.	\$1,004.75
8	July 20, 2007	Airline ticket provided to material coordinator D.J.	\$606.60

All in violation of Title 41, U.S.C. §§ 51-54.

COUNT 9

(Mail Fraud, 18 U.S.C. §1341)

From on or about October 1, 2008, through on or about October 31, 2008, in the Eastern District of Washington and elsewhere, the Defendant, SHANE FAST, with the intent to defraud, devised and willfully participated in, with knowledge of its fraudulent nature, the above-described scheme and artifice to defraud and obtain money by materially false and fraudulent pretenses, representations, and promises, by paying unlawful kickbacks to material coordinators. That on or about October 9, 2008, in the Eastern District of Washington, for the purpose of executing or attempting to execute the above-described scheme and artifice to defraud and deprive, Defendant knowingly placed in an authorized depository for

1 mail, to be sent and delivered by the Postal Service, the following matter:
2 Seattle Seahawks tickets addressed to G.G. of Cowiche, Washington.

3 All in violation of Title 18 U.S.C. § 1341.

4 DATED this 20th day of December, 2011.

5
6 A TRUE BILL

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10 Michael C. Ormsby
United States Attorney

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12 Matthew F. Duggan
Assistant United States Attorney
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